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GOAL FOR NATURAL GAS

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PUBLIC UTILITY COMMISSION

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OF TEXAS

PUBLIC UTILITY COMMISSION
FILING CLERK

**ORDER GRANTING EXCEPTIONS TO THE ANNUAL REPORT AND PUBLISHING
REQUIREMENTS IN 16 TEXAS ADMINISTRATIVE CODE § 25.172**

This Order addresses the recommendation of Commission Staff to grant an exception for two provisions in the Commission's rules. Commission Staff recommends that the Commission grant an exception to the requirement in 16 Texas Administrative Code (TAC) § 25.172(h) that each registered power generation company, municipally owned utility, and electric cooperative file a report by February 14, 2021 concerning generation capacity fueled by natural gas. In addition, Commission Staff recommends that the Commission grant an exception to the requirement in 16 TAC § 25.172(h) that the Commission publish information regarding compliance with the goals for natural gas usage. For the reasons discussed in this Order, the Commission finds good cause and grants an exception to both of these requirements.

The Texas Legislature directed the Commission to establish a natural gas energy credits trading program to comply with the Legislature's intent that 50% of the generating capacity (excluding capacity for renewable energy technologies) installed in this state after January 1, 2000 use natural gas.¹ By rule, the trading program is activated if the Commission determines that, within the next three years, new generating capacity fueled by natural gas may fall below 55% of all new generating capacity in this state.² To allow the Commission to make this determination, each registered power generation company, municipally owned utility, and electric cooperative must file, by February 14 of each year, information regarding new generating facilities, forecasted generation additions, and data on holdings of natural gas energy credits.³ In addition, the Commission is required to publish, by May 15 of each year, in aggregate form, the information

¹ Public Utility Regulatory Act, Tex. Util. Code § 39.044 (PURA).

² 16 Tex. Admin. Code (TAC) § 25.172(e).

³ 16 TAC § 25.172(h).

submitted in the annual reports, including calculations that show whether new generating capacity and forecasted capacity is in compliance with the rule.⁴

The Commission tracks the installation and announcements of new power plants in Texas. It compiles information of the type required in the annual reports, and publishes this information on the Commission's website.⁵ Of the new generating capacity completed since January 1, 2000, over 91% was fueled by natural gas.⁶ Based on estimates of generation that could potentially be built over the next three years, by 2023, at least 88.9% of the generating capacity added in this state since January 1, 2000 will be fueled by natural gas.⁷

The amount of generating capacity fueled by natural gas currently exceeds, and is expected to continue to exceed, by a large margin, the 50% target established by the Legislature⁸ and the 55% trigger to activate the trading program established in the Commission's rule.⁹ Accordingly, the Commission finds good cause to grant an exception to the annual report requirement due by February 14, 2021. In addition, the Commission finds good cause to grant an exception to the requirement to publish information by May 15, 2021 showing that the generating capacity in Texas is in compliance with the goal for natural gas established in 16 TAC § 25.172.

⁴ 16 TAC § 25.172(h)(3).

⁵ New Electric Generating Plants in Texas since 1995, <http://www.puc.texas.gov/industry/electric/reports/genplant/gentable.xls>.

⁶ Commission Staff Memorandum at 2 (Feb. 5, 2021).

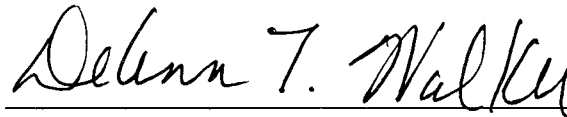
⁷ *Id*

⁸ PURA § 39.044(a); *see also* 16 TAC § 25.172(b).

⁹ 16 TAC § 25.172(e).

Signed at Austin, Texas the 12th day of February 2021.

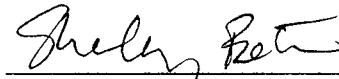
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